r Release 2002/01/24 CIA-RDP81-0 2R00010013p013rd A Registry **Approved** GSA Declassification/Release Instructions on File

> OFC 78-5420 8-17-78

AUL TO Executive Registry

MEMORANDUM FOR: Director of Central Intelligence

VIA:

Deputy Director of Central Intelligence

General Counsel

Legislative Counsel

Comptroller

PROM:

John F. Blake

Deputy Director for Administration

SUBJECT:

Impact of Public Buildings Act (Prospectus)

on Acquisition of Space (U)

(U) Action Requested: It is requested that you sign and direct the attached letter to the Chairmen of the House and Senate Appropriations Committees.

## 2. (U) Background and Staff Position:

On 17 July 1978, Administrator Solemon of the General Services Administration (GSA) accoded to repeated requests and authorized the acquisition of leased space in the Metropolitan Washington Area (MWA) (see Attachment 1). However, this authorization was coupled with the requirement that the acquisition be effected in accordance with the provisions of the Public Buildings Act of 1959, as amended. This requires the preparation of a detailed prespectus in coordination with GSA, approval to proceed from the Office of Management and Budget (OMB), and, finally, authorization from the Public Works Committees in both houses of Congress. This process can take from 12 to 18 months to accomplish (with me guarantee of obtaining authorization to preceed) and only when it is successfully concluded will GSA begin the actual process of acquisition (market analysis, solicitations, etc.). This latter process normally takes another 9 to 12 months before a lease is actually signed and to this must be added at least 6 months for alterations. Assuming it will take 5 menths just to prepare the prespectus, we. therefore, face a 30-menth delay before significant relief from our space problems can be realized.

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traced to 12 December 1975 when the Chief, Real Estate and Construction Division, Office of Logistics, forwarded a Standard Form \$1 (see Attachment 2) to GSA requesting \$8,000 square feet of additional space. This particular request was tailored to acquisition of the remaining third of the Building. Thirty-two months have passed and subsequent Standard Form \$1's were forwarded as dictated by changing circumstances (management refused to lease the remaining space). Intermittently throughout the period, a moratorium on the acquisition of space was imposed, thus stalling all acquisition efforts.

- c. Notwithstanding the moratorium, the Agency continued to plan for the eventual acquisition as evidenced by the various budget submissions, both going from the Office of Logistics (OL) to the Comptroller and ultimately from the Comptroller to Congress. The audit trail commenced in August 1975 when the Director of Logistics forwarded his FY 1977 budget estimates for the Federal Buildings Fund to the Comptroller (see Attachment 5). Subsequently, the Comptroller's submission to OMB for FY 1977 carried ferward OL's estimate of \$1.091 million for the acquisition (see Attachment 4). As a result of OMB's review, the budget submission to the Congressional Appropriations Committees was reduced and reflected a request for \$935,000 to fund the acquisition (see Attachment 5). DCI Bush, in an appearance before the House Appropriations Committee on 1 April 1976, was queried by Chairman Mahon concerning this line item in the budget (see Attachment 6) and justified the requirement.
- authorized and funds appropriated by Congress in FY 1977. Because acquisition was considered feasible and imminent, the requirement, as a distinct line item in the budget, was dropped in succeeding fiscal years. However, the requirement was carried over as a firm requirement in internal Agency budget documents (see Attachment 7 for DL's FY 1979 forecast) and to Congress by the Comptroller (see Attachment 8). The fundamental difference between the FY 1977 submission and those of succeeding years is one of format. Expansion column as was done in FY 1977, the requirement was lumped into the total needed to reimburse the Federal Buildings Fund under the Standard Level User Charges (SLUC).

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Impact of Public Buildings Act (Prospectus) on SUBJECT: Acquisition of Space (U)

This dichotomy arises because the budget planning cycle begins each year in January with the issuance of the Program Call which is applicable to the fiscal year beginning 21 menths later. Thus, budget planning for Fiscal Year 1978 and out years had to assume that the \$935,000 originally appropriated would automatically be required in succeeding fiscal years, and this sum was merely added to the aggregate SLUC payment base cost column in PY 1978 and subsequent cubaissions.

- The crux of the matter is outlined in an Office of General Counsel (OGC) memorandum of 17 March 1978 (see Attachment 9) wherein OGC advised that if it can be shown that menies in excess of \$500,000 were appropriated for a specific purpose, the requirements imposed by the Public Buildings Act no longer pertain. Such a legal determination will allow the appropriate agency official to so certify in writing to the requesting agency, GSA in this instance, thus avoiding the requirement for a prospectus. Because the Federal Buildings Fund was established under an amendment to the Public Buildings Act and to avoid any appearance of misleading Congress, or GSA acting as our agent, it is apprepriate to notify the Chairmen of the respective Appreprintiens Committees of the Agency's position and intent. A similar course of action was followed in May of 1978 regarding Project SAFE and other pressing construction requirements (see Attachment 10).
- (U) Recommendation: It is recommended that you sign and dispatch the attached letter to the Chairmen of the House and Senate Appropriations Committees.

/s/ John F. Elara

John F. Blake

Atts

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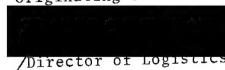
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Honorable Warren G. Magnuson, Chairman Committee on Appropriations United States Senate Washington, D.C. 20510

Honorable George H. Mahon, Chairman Committee on Appropriations House of Representatives Washington, D.C. 20515

Dear Mr. Chairmen:

In the process of acquiring critically needed leased space in the Metropolitan Washington Area, an issue has been raised by the General Services Administration (GSA), the resolution of which makes coordination with your Committees appropriate.

During hearings on the Agency's FY 1977 budget requests. them Director Bush explained to your Committees CIA's critical requirement for additional office space in the metropolitan area. Much of this requirement stems from the need to comvert effice space to machine space for computer programs, such as SAFE, ADSTAR, and CAMS which have been approved previously by your Committees. In fact, our needs are more critical now than when first explained by Director Bush because of the incessant demands of the machine and the realignment of a number of Agency functions dictated in part by the events of the past two years. Due to an Executive moratorium imposed on acquisition of space, this requirement has been carried ever into each succeeding fiscal year. GSA has recently acquiesced to repeated Agency requests and has advised it is willing to proceed with the acquisition in FY 1979, such acquisition, hewever, being subject to the prespectus requirements established by the Public Buildings Act of 1959, as smended. Thus, the question is raised whether this acquisition should be specifically authorized by the Public Works Committees in addition to being authorized as part of the National Foreign Intelligence budget. My concern with the additional reviewing process is that all evidence indicates that preparation of the prespectus in coordination with GSA and the Office of Hanagement and Budget, plus scheduling and completion of hearings, will delay occupancy of the space until the 1981 time frame. This delay

Honorable Warren G. Magnuson Monorable George H. Mahon

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will, of course, have a disastrous effect on implementation of the already approved computer systems for intelligence targeting and dissemination.

It is my understanding that your Committees were fully cognisent of this requirement since it was specifically identified as a budget line item and that the sum appropriated for the acquisition remains available for expenditure without need for further authorization. With your concurrences, I intend to advise the General Services Administration that they may proceed with acquisition of approximately 85,000 square foot of leased space without the necessity for further review by the Public Works Committees.

Yours sincerely.

STANSFIELD TÜRNER

Distribution:

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Originating Office:

mes H. McDoncad

James H. McDonald Director of Logistics 1 6 AUG 1978

Date

WASHINGTON, D.C. 20405

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JUL 17 1978

Admiral Stansfield Turner Director Central Intelligence Agency Washington, DC 20505

Dear Adult Marker:

Thank you for your letter of June 26, 1978, regarding the Central Intelligence Agency's (CIA) space needs in the Washington metropolitan area.

As your letter indicates, the freeze on leasing space, under which we have been operating for several months, has been eased. All outstanding space requests have been studied in an effort to determine which requests are the most critical. We are now acting on those requests.

Insofar as the CIA's request of September 13, 1977, is concerned, we are in the process of preparing a prospectus for submission to the Public Works committees of the Congress, through the Office of Management and Budget, in accordance with the provisions of the Public Buildings Act of 1959 and the Public Buildings Amendment of 1972. We must have Congressional approval prior to procuring a block of space large enough to satisfy your stipulated space needs. We will do everything possible to expedite this unfortunately time-consuming process.

In the meantime, please have the appropriate member of your staff contact Mr. Ronald Brothers, of Region 3's Space Management Division, on 472-1711, in order that we might obtain necessary information from your agency, to help us complete the prospectus.

Thank you for your cooperation in this matter.

Sincerely,

dministrator (

1 2 DEC 1975

Mr. Edward M. Kidwell, Director Space Management Division Office of Operating Programs General Services Administration Washington, DC 20435

Bear Er. Kickell:

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Please refer to our letter of 3 April 1975 in which we advised you that the space effered to this Agency by the General Services Administration (GSA) in the Suilding, was acceptable and we requested that GSA take the necessary action to negotiate a lease for the second and third floors. In the same letter, we requested that we be notified as to the availability of the first floor of this building and the separate varehouse/office building situated at the same location.

Alle purpose of this latter is to request that GSA take the necessary action to lease approximately 98,000 square feet of space at the sites 53,000 square feet in the main building (first floor), and 30,000 square feet in the warehouse/office building. Of the 33,000 square feet in the main building, approximately 13,000 square feet is cafeteria and lebby with resultant net usable office space of 35,000 square feet and a total net usable space of approximately 70,000 square feet. Its also request that the total parking area, spaces which are presently occupied by included in the lease for a total of spaces. The enclosed Standard form 31 sets forth our ministry requirements. Our justification for the acquisition of the remainder of the Smilding follows:

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- a. This acquisition is necessary to provide sufficient space to meet Agency impediate and short-term requirements in the Mashington Metropolitan Area and does not provide space for the replacement of the Magazine Building. Which was accomplished by the acquisition of the second and third floors of the Building.
- b. Acquisition of the remainder of these buildings will relieve our Headquarters Building of over-consided conditions

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(see enclosure 1 for space utilization figures). Some components of the Agency with common functions in the Head-quarters Building are widely dispersed and fragmented over several floors. By relocating some elements to the newly acquired space, we will have greater flexibility to consolidate common functions or elements. Our present and projected space requirements in the Headquarters Building, to support approved new projects or component expansions, will require a total of 60,000 square feet of space through FY 78.

- c. In addition to external consolidation of components, the collateral benefits of acquisition of the totals of both buildings are:
  - (1) A greater degree of security control would be permitted by sole occupancy.
  - (2) Maximum utilization of the secure communication system presently being installed in the Building would result.
  - (3) Agency surface transportation between the Headquarters, and other buildings in the Helean/ area could be more efficiently utilized.

To recapitulate, the problems of overcrowding and being able to maet the requirements of approved new projects can only be resolved by relocating personnel from the Headquarters Building to other space.

We would appreciate it if you would keep us advised of your negotiations and wish to express our thanks for all your endeavors in our behalf.

Sincerely.

Chief
Real Estate and Construction Division, OL

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